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IOWA PUBLIC EMPLOYMENT  
RELATIONS BOARD

IN THE MATTER OF THE IMPASSE BETWEEN

INTERNATIONAL BROTHERHOOD  
OF TEAMSTERS,  
LOCAL 421,

Union,

and

THE DUBUQUE COMMUNITY  
SCHOOL DISTRICT,

Employer.

IOWA PUBLIC EMPLOYMENT  
RELATIONS BOARD

DECISION AND AWARD  
OF  
ARBITRATOR

APPEARANCES

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On April 17, 2002, in Dubuque, Iowa, a hearing was held before Thomas P. Gallagher, Arbitrator, who was selected by the parties under the provisions of the Iowa Public Employment Relations Act (the "Act"), as amended, to resolve a collective bargaining issue about which the parties are at impasse.

### BACKGROUND

The Employer operates the public schools in Dubuque, Iowa. The Union is the collective bargaining representative of the employees of the Employer who are classified as Bus Drivers and Bus Attendants. At the time of the hearing in this matter, seventy-two Bus Drivers and twenty-three Bus Attendants were employed by the Employer.

The parties have agreed upon most of the provisions of a labor agreement that will be effective during the school year beginning July 1, 2002, and ending June 30, 2003. They have not been able to resolve their differences, however, with respect to a single issue -- health insurance benefits.

In this proceeding, the parties have agreed 1) to waive the fact-finding procedure established by the Act as part of its impasse resolution process, 2) to use the Act's arbitration procedure for resolving their impasse on the single issue that they have not been able to settle, 3) to give me the authority to act as the sole arbitrator in that procedure, and 4) to waive the requirement established by the Act that their labor agreement be finally resolved by April 15.

By the provisions of the Act, my authority in this proceeding is limited. The Act requires that the impasse on each impasse item be resolved in "final offer, issue-by-issue" arbitration rather than by conventional arbitration. Therefore, with respect to the issue at impasse, I must select either the entire final position of the Employer or the entire final position of the Union, and I have no discretion either to award

part of the position of one or the other of the parties or to include in my award any variation from the final position selected.

In deciding the issues in this proceeding, I have considered, among others, the factors specified in the Act as those that must be considered by a panel of arbitrators. Section 20.22, Subdivision 9, Code of Iowa. The text of that subdivision is set out below:

- a. Past collective bargaining contracts between the parties including the bargaining that led up to such contracts.
- b. Comparison of wages, hours and conditions of employment of the involved public employees with those of other public employees doing comparable work, giving consideration to factors peculiar to the area and the classifications involved.
- c. The interests and welfare of the public, the ability of the public employer to finance economic adjustments and the effect of such adjustments on the normal standard of services.
- d. The power of the public employer to levy taxes and appropriate funds for the conduct of its operations.

Relevant parts of Section 16.1 of the parties' current labor agreement, which is effective from July 1, 1998, through June 30, 2002, are set out below:

16.1. Health Insurance.

- a. Health insurance will be available to eligible Bus Drivers and Bus Attendants working five (5) days per week and who have a bid AM/PM combination route. Eligible Bus Drivers and eligible Bus Attendants enrolled in one of the Employer's Health Insurance Programs will be provided by the Employer with the following monthly contribution toward the cost of their selection of either a single or a family health insurance plan:

	<u>Maximum Per Month Payment</u>	<u>Maximum Number Of Employees</u>	<u>Maximum District Dollars</u>
<u>1998-1999</u>	\$100.00	15	\$18,000
<u>1999-2000</u>	105.00	15	18,900
<u>2000-2001</u>	110.00	15	19,800
<u>2001-2002</u>	120.00	15	21,600

**Prorated Payments if Necessary:**

In each year of the Contract, the number of participating employees shall be divided into the total dollar amount available to determine a prorated payment amount for the year, if proration is necessary. Refer to Appendix A. [I omit Appendix A, which is a chart showing how the "Maximum District Dollars" are to be prorated if more than fifteen eligible employees elect to participate in health insurance coverage under Section 16.1.]

. . . .

**The Union's Final Position.**

The Union's final position is set out below:

**16.1. Health Insurance.**

Union proposes, effective 7-1-02 all employees scheduled to work 30 hours per week or more, will be provided with single coverage insurance from the District, with the District paying 100% of the premium.

Effective 7-1-02, employees scheduled to work less than 30 hours per week will have \$150 per month paid by the District for their insurance coverage.

**The Employer's Final Position.**

The Employer's final position is set out below:

**16.1. Health Insurance.**

Increase maximum per month  
payment of \$10 to the amount of \$ 130

Maximum number of employees 15

Maximum District Dollars \$23,400

### Decision and Award.

Those employed in the two classifications represented by the Union are part-time employees. Bus Drivers work an average of 4.7 hours per day, and Bus Attendants work an average of 4.3 hours per day -- both for 191 days per year, including seven paid holidays. The parties have agreed to raise the hourly wage rate of these classifications by \$0.35 for the new contract year, so that the base rate will be \$11.79 per hour for Bus Drivers and \$9.31 per hour for Bus Attendants.

Seven non-teaching bargaining units represent employees of the Employer. In addition to the Bus Drivers and Bus Attendants, employees in two other classifications, Associate and Food Service Worker, work part-time.

The Employer makes three Health Insurance plans available to its employees. During the 2001-2002 school year, sixteen employees in the bargaining unit elected to participate in one of the Employer's Health Insurance plans. During previous years, no more than fifteen employees had done so. If only fifteen employees had participated during the current year, the \$21,600 specified as the "Maximum District Dollars" payable by the Employer under Section 16.1 of the current labor agreement would have been \$120 per month per employee. With sixteen employees participating, the \$21,600 of Maximum District Dollars was prorated among the sixteen, so that each received \$112.50 per month as the Employer's contribution toward their Health Insurance premium.

An award of the Employer's position would raise the Maximum District Dollars to \$23,400, thus making a monthly

contribution of \$130 per employee possible, if no more than fifteen bargaining unit employees elect to participate.

An award of the Union's position would raise the Employer's contribution to \$150 per month for all employees who are scheduled to work less than thirty hours per week, and it would require the Employer to pay the entire premium for single coverage for any who are scheduled to work thirty or more hours per week.

For about eight to ten years, the parties have used substantially the same method of establishing the Employer's contribution to Health Insurance premiums. They have agreed to an amount, designated as the Maximum District Dollars, to be prorated among those electing to participate in a Health Insurance plan if the participants exceed fifteen, but with a maximum monthly contribution that applied if fifteen or fewer employees elected to participate. Thus, in past years, the parties' bargaining has centered on the amount to be designated as the Maximum District Dollars.

The parties' current negotiations almost produced a settlement. On February 12, 2002, they bargained to a tentative four-year agreement, but the agreement failed to obtain ratification by the Union's members. The parties resumed bargaining, and on February 22, 2002, they reached a second tentative agreement. That agreement was also rejected when put to a ratification vote of the Union's members. On March 8, 2002, the parties reached a third tentative agreement, but the Union's members again failed to ratify it. Thereafter, the

parties agreed to use the arbitration procedures of the Act to resolve their impasse, but they agreed that the new labor agreement would have only a one-year term.

The parties' first tentative agreement, reached on February 12, 2002, would have continued the provisions of Section 16.1 without change -- keeping the Maximum District Dollars at \$21,600 and the maximum monthly contribution at \$120 for all four years of the new contract term.

The parties' second tentative agreement, reached on February 22, 2002, would have increased the Maximum District Dollars to \$22,500 for the first contract year, to \$23,400 for the second contract year, to \$25,200 for the third contract year and to \$27,000 for the fourth contract year. Accordingly, the maximum monthly contribution if fifteen or fewer employees elected to participate would have been \$125 for the first contract year, \$130 for the second contract year, \$140 for the third contract year and \$150 for the fourth contract year.

The parties' third tentative agreement, reached on March 8, 2002, would have increased the Maximum District Dollars to \$23,400 for the first contract year, to \$25,200 for the second contract year, to \$27,000 for the third contract year and to \$28,800 for the fourth contract year. Accordingly, the maximum monthly contribution if fifteen or fewer employees elected to participate would have been \$130 for the first contract year, \$140 for the second contract year, \$150 for the third contract year and \$160 for the fourth contract year.

All of the tentative agreements increased the base wage rate during the first year of the contract term by \$0.35 per hour. Wage increases in the next three years ranged from \$0.35 per hour to \$0.38 per hour for each year, with some slight variations from one to another of the tentative agreements.

The Employer calculates the total package cost of its position, including other increases not in dispute to be \$34,725, or 3.39% over the current year's total package cost of \$1,023,993. Of this increase, \$1,800 is attributable to the proposed increase in Health Insurance contribution, from \$21,600 to \$23,400 in Maximum District Dollars.

The Employer argues that an award of the Union's position would increase costs by an unprecedented amount. The Employer concedes that it is difficult to measure the cost of the Union's position because it cannot be known with certainty how many employees would elect to participate in one of the Health Insurance plans if the Union's position were awarded, but the Employer provided the following estimates. If all bargaining unit members participated in one of the Health Insurance plans, assuming their selection among the three plans would match the selections made by other support staff, the cost of the Employer's Health Insurance contribution would increase by \$158,444, and the total package cost would rise by 18.69%. Similarly, if the rate of participation were 75%, 50% or 25%, the cost of the Health Insurance contribution would increase by \$124,244, \$90,064 or \$55,844, respectively, and the total package cost would rise by 15.35%, 12.02% or 8.67%, respectively.



The Employer argues not only that these increases would be unprecedented in size, but that they would come when it faces constraints on its spending because of reduced state aids and limited new money for allowable growth, which will be only 0.81% for the 2002-2003 year.

In addition, the Employer argues that the total package increase of 3.39% that this bargaining unit would receive with an award of the Employer's position is substantially the same as the total package cost of the agreements reached with representatives of its other part-time employees. Thus, Associates and Food Service Workers received a total package increase of 3.54% and 3.04%, respectively.

The Employer presented information showing the Health Insurance contribution that other part-time employees receive. Associates who work thirty-five hours per week or more, thus qualifying as full-time employees, receive 84% of the premium for single coverage and 63% of the premium for family coverage. Those who work less than those hours have only an option to purchase insurance at their cost. Similarly, Food Service Workers who work six hours per day receive 75% of the premium for single coverage, but those who work less than those hours have only an option to purchase insurance at their cost.

The Employer argues that external comparisons in the Dubuque area do not justify an award of the Union's position. The Employer showed that part-time Bus Drivers employed by the City of Dubuque receive no Health Insurance contribution and that Bus Drivers working less than thirty hours per week who are

employed by a local non-profit employer, Project Concern, receive no contribution -- though Project Concern Bus Drivers who work thirty hours per week or more receive a contribution equal to the cost of single coverage.

The Union makes one primary argument -- that the standard for determining the award in this case should be external comparison with the Health Insurance contribution received by Bus Drivers for other Iowa school districts. The Union showed information from four school districts -- those serving the Cities of Sioux City (with enrollment of 14,672), Waterloo (with enrollment of 10,914), Muscatine (with enrollment of 5,580), and Fort Madison (with enrollment of 2,659), as compared to the Employer, which serves an enrollment of 9,697. The Sioux City Community School District contributes \$295 per month to the Health Insurance premium for Bus Drivers who work thirty hours or more per week. Bus Drivers for the Community School Districts at Waterloo, Muscatine and Fort Madison receive 100% of the cost of single coverage if they work thirty hours or more per week.

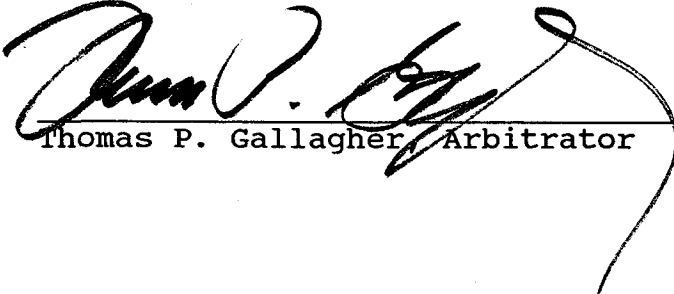
The Union argues that it should be a goal of the Employer, as it is a goal of other school districts, to "professionalize" its Bus Drivers, so that people of good qualifications can work in the classification with a full-career commitment to the job. The Union urges that an award of its position would go far toward that goal, giving Bus Drivers a strong reason to commit to long-term employment.

In rebuttal to the Union's arguments, the Employer notes that the Bus Drivers who serve the Waterloo Community School

District are employed by a private employer with which the school district contracts. The Employer also argues that the few comparables the Union offers in support of its position are too distant geographically to merit consideration as external comparables.

I award the Employer's position. An award of the Union's position would result in a very large cost increase -- though not exactly measurable in advance. Because the evidence shows that the Employer will have limited funding in the forthcoming year, that increase in cost should not be imposed here by an arbitration award. In this circumstance, the Union's goal of improving the Health Insurance benefit, so that the Bus Driver's job will be more suitable to a career commitment, should be achieved in gradual increments and by bargaining.

April 28, 2002

  
Thomas P. Gallagher, Arbitrator

CERTIFICATE OF SERVICE

I certify that on the 28th day of April, 2002, I served the foregoing Decision and Award of Arbitrator upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

For the Union:

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I further certify that on the 28th day of April, 2002, I will submit this Decision and Award for filing by mailing it to the Iowa Public Employment Relations Board, 514 Locust, Suite 202, Des Moines, Iowa 50309.

April 28, 2002

  
Thomas P. Gallagher, Arbitrator